

Anthem Protests, Viewer Politics, and the Demand for NFL Games: The Impact of National Anthem Protests on NFL Television Demand

By Noah Sperling

# Agenda

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- Current Literature
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  - Independent Variable: Measuring Protests
- Data & Methods
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  - Other Control Variables
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# Background: Anthem Protests

- 2016: U.S. athletes across a series of sports began staging peaceful protests during the national anthem to call attention to issues of racial inequality.
- NFL players were among the first and more publicized of these protestors.
- Some fans, viewing these protests as unpatriotic, claimed they would refuse to patronize teams and games that endorsed or permitted anthem protests.
- NFL torn between an issue of first amendment rights and fan backlash.



# Background: Anthem Protests

- NFL management attempted to strike a compromise position that allowed some political statements by players but did not alienate fans, such as teammates linking arms in unity during the anthem.
- Despite these attempts to appease both sides, NFL revenues were in relative decline for the peak protest period (2016 – 2017).



# Our Goal

- To analyze the effect of player protests on the demand for NFL games, we measure the demand for NFL games using television ratings and viewership.
- In contrast to prior literature on the topic, we attempt to control for the mediating effects of political characteristics of the viewing area. That is, the effect of the protests on ratings may depend on the political beliefs of the local viewers.
- Because we assume that protests by members of a particular team will exert larger effects on the home market for that team, we consider only ratings and viewership for games broadcast to a local audience.



# Why Does This Analysis Matter?

- The NFL is big business, with annual revenues in excess of \$15.0 billion USD, over half of which come from lucrative television contracts.
- If effects are negative, provides valuable information to team management considering hiring a player with a history of protesting or enacting sanctions against protest behavior.
- If effects modest, would decrease perceived risk for players considering protesting.
- If effects positive, protests could be of value to the NFL.



# Why Does This Analysis Matter?

- In the past, it was common for large US corporations to avoid making partisan statements in fear of alienating market segments; however, this view seems to no longer carry the day as seen with the NFL's response to anthem protests.
  - The NFL initially condemned the protests, but then yielded to somewhat endorse them
- By analyzing the effects of the anthem protests on NFL demand, we hope to clarify the costs (or benefits) of open advocacy of political positions by Corporate America.



"Republicans buy sneakers, too." - Michael Jordan

# Current Literature

### Dependent Variable: How to Measure NFL Demand

#### • Focus on work stoppages

- Given that the games still occur, the effect of these protests on consumer demand should directly relate to the degree to which fans identify with the purported goal of the protests, rather than dissatisfaction from not being able to watch the games.
- Survey data with small sample sizes (Sevi, 2019, Stratmoen, 2019)
  - Fails to incorporate actual outcomes while not being representative of NFL markets at large.
- In-person attendance (Watanabe & Sobbing, 2019)
  - Inherent upper-bound related to maximum stadium capacities.
  - Unable to track short-term, weekly changes in demand as tickets are often purchased months in advance.

### Independent Variable: How to Measure Protests and Controls

• Dummy variables for protest at season level (Watanabe & Cunningham, 2020)

- The measurement assumes all teams during the mass-protest period to be affected by the protest behavior, even for teams that may have not once protested.
- Neglects to consider that stronger forms of protests may have larger effects on demand.
- State-level political controls
  - Overly broad compared to NFL markets, especially for diverse states such as PA and FL.
- Lack of political controls (Brown & Sheridan, 2020)
  - Important control in protest literature and surveys assessing response to protests.

# Data & Methods

### Dependent Variable Improvements

- Dependent variable is Nielsen ratings and television viewership for only Sunday afternoon games during the 2014 through 2017 regular season.
  - Important demand metric as television contracts makes up 50% of NFL revenue.
  - No upper limit (unlike stadium attendance).
  - More flexible metric than stadium attendance as viewers have a lower opportunity cost for switching channels compared to wasting in-person tickets, as well as not being subject to concerns related to purchasing tickets months in advance.
- Use of Sunday afternoon games creates a proxy measure for local viewership (due to regional broadcasting restrictions), allowing for the use of team specific, MSA-level political measures.
  - Political beliefs measured using weighted average vote for Donald Trump for the home team's MSA in the 2016 U.S. Presidential Election.

### Independent Variable Improvements

- Independent variable is protests at the game-level for the 2014 through 2017 regular season, tracked as either unambiguous or ambiguous.
  - Avoids issues related to dummy variable for protest at the season level.
- Lagged independent variable is a count, rather than a binary variable, allowing for a more precise measure of past protesting.
  - 0 = if neither team in a current game had a protest occur in their previous game .
  - 1 = if exactly one team in the current game had a protest occur in the previous game.
  - 2 = if both teams had a protest occur in their previous game.

### Unambiguous vs. Ambiguous Protests

- For the purpose of our analysis, protests by players are classified into two broad categories: 'unambiguous protests' and 'ambiguous protests'.
  - Unambiguous protests include any protests in which a player kneels or sits during the national anthem, stays in the locker room during the national anthem, or raises a fist during the national anthem.
  - Ambiguous protests are classified to include all other protests, such as locking arms with teammates or putting a hand on the shoulder of a teammate committing to an unambiguous protest, as they are subject to competing interpretations.

### Unambiguous vs. Ambiguous Protests

 This distinction between protests is made given the unambiguous protests visibility, clear meaning, and widespread media attention while the ambiguous protests do not show direct animosity toward the national anthem and may be interpreted as support for teammates as opposed to a clear political statement on race relations or public policy.

#### Unambiguous NFL Protests by Type for Sunday Early and Late-Afternoon Regular Season Games (2016 - 2017 Regular Season)



#### Ambiguous NFL Protests by Type for Sunday Early and Late-Afternoon Regular Season Games (2016 - 2017 Regular Season)



Count Ambiguous Protests

\*Ancillary protests most commonly include but are not limited to a player locking arms with other players, a player placing a hand on the shoulder of a player committing an unambiguous protest, and a player wearing attire with the phrase "I can't breathe" during practices.

### Other Control Variables

- Between the sports-demand and protest literature, several controls are selected for inclusion due to their established importance:
  - Simultaneous Games
  - Combined Market Size
  - Combined Team Quality
  - Political Controls
  - Time Controls (Week and Year)
    - Viewership i = α + Unambiguous\_Protests it-1 + Simultaneous\_Games i + Combined\_Market\_Size i + Combined\_Team\_Quality i + Home\_Team\_Trump\_Vote i + Average\_Trump\_Vote i + Week i + Year i + e i

# Results

## Summary Statistics

Table 1. Summary Statistics					
Variable	Obs	Mean	Std. Dev.	Min	Max
Nielsen_Ratings	794	2.88	3.04	0.72	17.25
Viewers_Millions	779	4.92	5.36	1.3	30.26
Unambiguous_Protests	748	0.45	0.68	0	2
Ambiguous_Protests	747	0.19	0.47	0	2
Simultaneous_Games	794	6.82	2.35	1	10
Combined_Market_Size	794	4.09	2.24	1.21	14.2
Combined_Team_Quality	794	0.48	0.13	0.13	0.81
Home_Team_Trump_Vote	794	45.09	10.55	22.09	61.73
Average_Trump_Vote	794	45.18	7.66	22.46	60.01
Week	794	34.65	19.7	1	68
Year	794	2015.5	1.12	2014	2017

\*Variables measured at game-level.

### Other Determinants of Protest Behavior

- As assessed through a t-test, home-team players were less likely to protest than their away-team counterparts (p = 0.0392).
  - Possible explanation in form of home-teams wanting to avoid generating scrutiny from their primary fan base in the home market.
- As assessed through a t-test, difference in total protest behavior between conservative metro areas and liberal metro areas (at the team level) is not statistically significant (p = 0.2512).

Table 2. Effect of Lagged Unambiguous Protests on Nielsen Ratings				
	(1)	(2)	(3)	(4)
Unambiguous_Protests	-0.4301***	-0.3353**	-0.3867*	-0.3312*
	(0.1297)	(0.1523)	(0.2339)	(0.1944)
Simultaneous_Games	-0.5265***	-0.5249***	-0.6494***	-0.4021***
	(0.0579)	(0.0582)	(0.0970)	(0.0691)
Combined_Market_Size	0.2089***	0.2113***	0.4158**	0.1436***
	(0.0496)	(0.0497)	(0.1498)	(0.0527)
Combined_Team_Quality	8.4762***	8.4868***	7.9720***	8.6122***
	(0.8320)	(0.8347)	(1.1079)	(1.2615)
Home_Team_Trump_Vote	0.0339**	0.0336**	0.0437**	0.0408**
	(0.0142)	(0.0142)	(0.0189)	(0.0168)
Average_Trump_Vote	0.0360*	0.0375*		
	(0.0200)	(0.0199)		
Week		0.0050	0.0016	0.0028
		(0.0188)	(0.0268)	(0.0258)
Year		-0.1732	0.0509	-0.2477
		(0.3501)	(0.5136)	(0.4584)
Observations	748	748	374	374
R-Squared	0.3488	0.3495	0.4238	0.2893
Robust standard errors in parenthesis. ***p<0.01, **p<0.05, *p<0.10				

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% Decline Compared to Average Nielsen Ratings	-14.9%	-11.6%	-13.4%	-11.5%	
Observations	748	748	374	374	
R-Squared	0.3488	0.3495	0.4238	0.2893	
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- Columns 1 through 4 display evidence that the effects of unambiguous anthem protests on Nielsen ratings are negative, at least somewhat persistent, and of both statistical and practical significance.
  - These findings contrast with Brown & Sheridan (2020), which deem the protests to have no notable persistent effects.

Table 3. Effect of Lagged Unambiguous Protests on Viewers in Millions				
	(1)	(2)	(3)	(4)
Unambiguous_Protests	-0.6584***	-0.5497**	-0.6766	-0.5169
	(0.2264)	(0.2692)	(0.4127)	(0.3425)
Simultaneous_Games	-0.9431***	-0.9407***	-1.1584***	-0.7259***
	(0.1037)	(0.1040)	(0.1730)	(0.1235)
Combined_Market_Size	0.3594***	0.3616***	0.7212***	0.2447***
	(0.0872)	(0.0874)	(0.2672)	(0.0925)
Combined_Team_Quality	14.7753***	14.7895***	13.8007***	15.1181***
	(1.4483)	(1.4531)	(1.9413)	(2.1884)
Home_Team_Trump_Vote	0.0595**	0.0593**	0.0722**	0.0727**
	(0.0252)	(0.0252)	(0.0338)	(0.0297)
Average_Trump_Vote	0.0642*	0.0659**		
	(0.0351)	(0.0350)		
Week		0.0167	0.0055	0.0192
		(0.0341)	(0.0496)	(0.0462)
Year		-0.3821	0.1078	-0.6362
		(0.6434)	(0.9582)	(0.8269)
Observations	733	733	366	367
R-Squared	0.3536	0.3540	0.4251	0.2959
Robust standard errors in parenthesis. ***p<0.01, **p<0.05, *p<0.10				

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Robust standard errors in parenthesis. ***p<0.01, **p<0.05, *p<0.10				

Table 4. Effect of Lagged Ambiguous Protests on Nielsen Ratings					
	(1)	(2)	(3)	(4)	
Ambiguous_Protests	-0.3656*	-0.1633	-0.3756	0.0863	
	(0.2107)	(0.2295)	(0.3688)	(0.2837)	
Simultaneous_Games	-0.5265***	-0.5231***	-0.6461***	-0.3954***	
	(0.0577)	(0.0580)	(0.0962)	(0.0691)	
Combined_Market_Size	0.2062***	0.2113***	0.4028***	0.1405***	
	(0.0499)	(0.0498)	(0.1479)	(0.0531)	
Combined_Team_Quality	8.5166***	8.5278***	8.0617***	8.6447***	
	(0.8344)	(0.8370)	(1.1089)	(1.2629)	
Home_Team_Trump_Vote	0.0327**	0.0328**	0.0436**	0.0419**	
	(0.0142)	(0.0142)	(0.0188)	(0.0168)	
Average_Trump_Vote	0.0425**	0.0430**			
	(0.0199)	(0.0199)			
Week		0.0058	0.0018	0.0060	
		(0.0189)	(0.0265)	(0.0265)	
Year		-0.2800	-0.0109	-0.4717	
		(0.3506)	(0.4989)	(0.4741)	
Observations	747	747	373	374	
R-Squared	0.3445	0.3480	0.4245	0.2860	
Robust standard errors in parenthesis. ***p<0.01, **p<0.05, *p<0.10					

Table 5. Effect of Lagged Ambiguous Protests on Viewers in Millions				
	(1)	(2)	(3)	(4)
Ambiguous_Protests	-0.5720	-0.2936	-0.6936	0.1653
	(0.3657)	(0.3998)	(0.6412)	(0.4929)
Simultaneous_Games	-0.9452***	-0.9385***	-1.1526***	-0.7142***
	(0.1034)	(0.1036)	(0.1715)	(0.1237)
Combined_Market_Size	0.3556***	0.3618***	0.6982***	0.2393**
	(0.0876)	(0.0876)	(0.2633)	(0.0932)
Combined_Team_Quality	14.8353***	14.8564***	13.9609***	15.1791***
	(1.4519)	(1.4572)	(1.9424)	(2.1915)
Home_Team_Trump_Vote	0.0579**	0.0579**	0.0721**	0.0745**
	(0.0252)	(0.0252)	(0.0337)	(0.0297)
Average_Trump_Vote	0.0744**	0.0749**		
	(0.0349)	(0.0350)		
Week		0.0175	0.0056	0.0249
		(0.0344)	(0.0490)	(0.0473)
Year		-0.5444	0.0102	-1.0048
		(0.6421)	(0.9294)	(0.8518)
Observations	732	732	365	367
R-Squared	0.3507	0.3529	0.4259	0.2933
Robust standard errors in parenthesis. ***p<0.01, **p<0.05, *p<0.10				

### Summary of Results

- Unambiguous protests are found to have statistically significant and quantitatively large negative effects on NFL television viewership, with those effects being at least somewhat persistent
  - Contrary to current literature.
- Ambiguous protests are found to be statistically insignificant, of little practical importance, and lacking in persistent effects.
  - Consistent with current literature.

### Conclusions

- We find that, contrary to the current literature, unambiguous protests are exerting substantial, negative, and at least somewhat persistent effects on the demand for televised NFL games. The importance of these results is reinforced by declines on average ratings between 11.6% and 14.9%. Consistent with the current literature, ambiguous protests are found to be practically insignificant.
- The reduced negative impact of ambiguous protests could be generalized by US corporations at large as a means by which to channel social activism into a more palatable form for consumers.
  - Important to remember that the average NFL fan is not necessarily representative of the average American.